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November 2, 2001

Ex Parte Presentation

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: DUF Charges: Joint Application of BellSouth for Provision of In-Region,
InterLATA Services in Georgia and Louisiana, CC Docket No. 01-277

Dear Ms. Salas:

On October 30, 2001, the Commission Staff requested additional information concerning the method used by AT&T Corp. ("AT&T") to compute the average monthly per line DUF charges relied upon by BellSouth in its Joint Section 271 Application for Georgia and Louisiana ("Application"), the methods used by AT&T to compute the average monthly per line DUF charges in other states, and the manner in which DUF costs are recovered from AT&T. This letter is divided into three parts. Part I explains which of BellSouth's DUF rates Mr. Lieberman used in his calculations. Part II explains the method used by Mr. Lieberman to compute the average monthly per line DUF charges in Georgia, Louisiana and other states. Part III discusses whether AT&T can control the number of DUF records for which it is billed.

In short, AT&T witness Michael Lieberman computed average monthly per line DUF charges in Georgia, Louisiana, and other states in a way that ensures that valid, "apples-to-apples," comparisons of those DUF charges can be made. The assumptions made by Mr. Lieberman were conservative in that they *understated* the observed discrepancies between BellSouth's charges and those in other states.¹

¹ Mr. Lieberman's DUF charge comparison is reproduced in Att. A, Exhibit 1 (attached hereto).

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I. AT&T's ANALYSIS IS BASED ON THE RATES RELIED ON BY BELL SOUTH'S APPLICATION.

For Georgia, BellSouth has chosen to rely on the DUF rates that it filed with the Georgia Public Service Commission ("GPSC") on August 27, 2001. *See* Ruscilli/Cox Affidavit ¶ 26. The August 27 DUF rates (which result in a charge to AT&T of \$2.96 per line per month) are slightly lower than those that were in place (and that still exist in many CLECs' interconnection agreements) before that filing. It is unclear whether the August 27 rates can be incorporated unchanged into existing interconnection agreements, or whether CLECs will be required to negotiate entirely new interconnection agreements with BellSouth to take advantage of those lower DUF rates. Nevertheless, AT&T's analysis of BellSouth's DUF rates is based on the new (and lower) DUF rates filed by BellSouth on August 27, 2001.

For Louisiana, BellSouth relies on the DUF rates adopted by the Louisiana Public Service Commission ("LPSC") on September 21, 2001. *See* Ruscilli/Cox Affidavit ¶ 57. The September 21 rates are currently attached to Appendix A of BellSouth's Louisiana SGAT. *See id.* ¶ 58. Mr. Lieberman therefore based his analysis on those rates.

II. THE METHOD USED TO COMPUTE MONTHLY AVERAGE PER LINE DUF CHARGES.

The average monthly per line DUF charge for a particular line is computed by multiplying the BOC's per record DUF rate by the number of messages (which result in DUF records) transmitted over a line. Both values – the per record DUF rate and the number of messages per line – must be computed based on each BOCs' DUF rate structure and average usage volumes. Those calculations are described more fully below.

A. The Method For Computing BellSouth's Georgia Monthly Average Per Line DUF Charge.

The first step in computing BellSouth's Georgia average monthly per line DUF charge is to compute the monthly average number of messages per line in Georgia. That number represents the number of DUF records that BellSouth will bill to a CLEC. Mr. Lieberman computed the average number of messages using publicly available 2001 ARMIS data to determine the total number of minutes of use ("MOU") for the average line in Georgia and then divided that number by a reasonable estimate of the average length of a call in Georgia. *See* Att. A, Exh. 2 (attached). That quotient represents the average number of messages per line in Georgia. BellSouth has not stated whether AT&T will be billed for the provision of DUF records for all messages or only for those DUF records that are requested. *See* Part III, *supra*. Mr. Lieberman's analysis is based on the assumption that AT&T will be billed for the provision of DUF records for all messages. Accordingly, the Georgia DUF charge in Mr. Lieberman's analysis is based on 101 average monthly per line local and intraLATA messages and 458

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average monthly per line Intra- and Inter-state InterLATA messages. *See* Att. A, Exh. 2 (attached).

The next step in computing BellSouth's Georgia average monthly per line DUF charge is to apply the average number of messages per line per month to BellSouth's Georgia DUF rates charged per record. BellSouth's DUF rates are more disaggregated than those of other states. BellSouth's Georgia DUF rates include separate Access DUF ("ADUF") and Optional DUF ("ODUF") rates.² ADUF records provide information about access messages. ODUF records provide information about local and intraLATA toll messages. Accordingly, BellSouth's Georgia total average monthly per line DUF charge is equal to the per record ADUF rate multiplied by the number of access messages plus the per record ODUF rate multiplied by the total number of local and intraLATA toll messages. *See* Att. A, Exh. 2 (attached).

BellSouth's ADUF rate is the sum of its rate for ADUF Message Processing (\$0.007951) and its rate for ADUF Data Transmission (\$0.000043). *See* Att. A, Exh. 2 (attached). Multiplying these rates by the number of monthly average per line messages results in an average monthly ADUF charge of \$0.81/line. *See id.* Similarly, BellSouth's ODUF rate is the sum of its rate for ODUF Message Recording (\$0.000009), ODUF Message Processing (\$0.004646), and ODUF Data Transmission (\$0.000043). *See id.* Multiplying these rates by the number of monthly average per line messages results in an average ODUF rate of \$2.15/line/month. *See id.* Thus, the total average monthly per line DUF charge (ADUF + ODUF) on which BellSouth's Georgia Application relies is \$2.96. *See id.*

BellSouth recently proposed a new set of Georgia DUF rates -- which BellSouth claims to be TELRIC-compliant -- in the ongoing state UNE pricing proceeding that began in September 2001. Those rates, which were filed on October 1, 2001 (one day before BellSouth filed its Section 271 Application) produce average monthly per line DUF charges that are less than half those on which BellSouth's Georgia Application relies. Mr. Lieberman determined, using the method described above for computing BellSouth's average monthly DUF charge in Georgia, that BellSouth's October 1 DUF rates result in an average DUF charge of \$1.40/line/month.³ *See* Att. A, Exh. 3 (attached); *see also* Lieberman Decl. ¶ 8. Thus, BellSouth

² BellSouth also charges another separate rate for Electronic Optional DUF ("EODUF") records. AT&T, however, does not currently purchase EODUF records. Accordingly, Mr. Lieberman did not include the cost of the EODUF records in his analysis.

³ BellSouth has chosen to not implement and rely on the October 1 DUF rates in its Georgia Application. As a result, those rates are not available to CLECs. Moreover, there is no assurance that those rates will be made available to CLECs. The GPSC is not required to adopt rates simply because they are proposed, and until they are adopted (which may not occur for many months) the proposed rates can be revised or withdrawn. As the Commission has emphasized in prior section 271 Orders, "[i]n order to gain in-region, interLATA entry, a BOC must support its application with actual evidence demonstrating its present compliance with the statutory conditions for entry, instead of *prospective* evidence that is contingent upon *future* behavior." *Michigan 271 Order* ¶ 55 (emphasis added). Given the uncertain status of the October 1 rates, which have not been adopted by any commission, it would be inappropriate to assess BellSouth's Application based on these proposed DUF rates.

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effectively concedes that the DUF rates on which its Application actually relies – which produce a DUF charge of \$2.96 – are far greater than those that any reasonable application of TELRIC principles would have produced.⁴

B. The Method For Computing BellSouth's Louisiana Monthly Average Per Line DUF Charge.

Mr. Lieberman used the same method that he applied in Georgia to compute Louisiana's average monthly per line DUF charge. *See* Att. B, Exh. 2 (attached). In particular, Mr. Lieberman used publicly available 2001 ARMIS data and reasonable assumptions regarding the average length of a call to estimate the average monthly per line number of messages in Louisiana. *See id.* Those values were then applied to BellSouth's Louisiana ADUF and ODUF rates to determine BellSouth's monthly average per line DUF charge in Louisiana, *i.e.* \$2.43/line/month. *See id.*

However, in order to compare, on an "apples-to-apples" basis, Louisiana's DUF rates to those in Georgia, it was necessary to also compute Louisiana's DUF charges based on Georgia message volumes. By using the number of messages in Georgia to compute Louisiana's DUF charges, Mr. Lieberman's comparison shows what the average monthly DUF charge would be if the Louisiana DUF rates were imported into Georgia. Therefore, Mr. Lieberman multiplied the per record DUF rate for Louisiana by the per line number of messages for Georgia. Based on that analysis, Louisiana's DUF charge at Georgia volumes would be \$3.00. *See* Att. A, Exh. 4 (attached).

C. The Method For Computing Monthly Average Per Line DUF Charges In Other States.

To assess the reasonableness of BellSouth's Georgia and Louisiana DUF charges, Mr. Lieberman also computed the average monthly per line DUF charges of incumbent LECs in section 271-approved states. *See* Lieberman Decl. ¶ 9 & Exhibit 5. The results of that analysis show that BellSouth's Georgia and Louisiana DUF charges are as much as 1,373 percent above those in section 271-approved states. *See* Att. A, Exh. 1 (attached); *see also* Lieberman Decl. ¶ 9 & Exhibit 5. Even the DUF charge produced by BellSouth's October 1 rates exceeds that in Pennsylvania and New York (those that have been recommended by the administrative law judge in the New York rate case) by at least 700 percent and 254 percent respectively. *See id.*

As shown in the attached exhibits (Att. A, Exh. 5-8), the DUF rate structure that applies to AT&T when it purchases DUF records from other incumbents is far less disaggregated than that used by BellSouth. In Texas, Kansas and Oklahoma, there is a single applicable per

⁴ As explained in Mr. Lieberman's Declaration (¶ 9), BellSouth's October 1 proposed DUF rates, although lower than the rates that BellSouth's Application relies on, are still far above TELRIC levels. Those rates are as much as 700 percent above those charged by BOCs in other states. *See* Lieberman Decl., Exhibit 5.

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record DUF rate of \$0.0030. *See* Att. A, Exh. 5 (attached). In New York the current per record DUF rate is \$0.004147 (for Processing) plus \$0.000117 (for Transmission). *See* Att. A, Exh. 6 (attached). The New York recommended rates apply a single applicable DUF rate of \$0.000994. *See* Att. A, Exh. 7 (attached). And in Pennsylvania, there is a single per record DUF rate of \$0.000356. *See* Att. A, Exh. 8 (attached).

To compute the average monthly per line DUF charge for each of these states, Mr. Lieberman multiplied the per record DUF rate for each state by the per line number of messages for Georgia. The reason that Mr. Lieberman used the number of messages for Georgia – rather than the number of state-specific messages – was to ensure that his approach provided a conservative apples-to-apples comparison of DUF charges in different states. By using the number of messages in Georgia, Mr. Lieberman's comparison shows what the average monthly DUF rate would be if the rates charged by other incumbents in other states were imported into Georgia. *See* Att. A, Exh. 1 (attached).

Mr. Lieberman's approach to computing average monthly per line DUF charges in other states was conservative – *i.e.* his approach *minimized* the differences in average monthly per line DUF charges between BellSouth and those in the Section 271-approved states. If Mr. Lieberman had used state-specific message numbers rather than Georgia-specific message numbers, the DUF charge comparisons would have shown even greater differences between BellSouth's Georgia and Louisiana DUF charges and the average DUF charges paid by CLECs in those other states. As illustrated in Att. B, Exh. 1-8 (attached), using state specific message numbers to compute the DUF charge in each state would have produced DUF charges of \$1.06 in Kansas, \$1.19 in Oklahoma, \$1.26 in Texas, \$1.25 in New York (current), \$0.29 in New York (recommended), and \$0.12 cents in Pennsylvania. All of these charges are far below the \$2.96 and \$2.43 charges relied on by BellSouth in its Application. Moreover, these charges are also well below those produced by BellSouth's October 1st rates (\$1.40).

III. IT APPEARS THAT AT&T MUST PURCHASE ALL DUF RECORDS.

In both Georgia and Louisiana, it appears that BellSouth charges AT&T for all DUF records even if AT&T requests only a subset of those records. Mr. Lieberman's analyses of BellSouth's Georgia and Louisiana DUF rates reflect that assumption. A more efficient practice, of course, would be to charge AT&T only for those DUF records that are actually requested. That method would allow AT&T to control (and in many cases reduce) its monthly per line DUF charge. It is by no means clear that BellSouth would charge AT&T only for those DUF records that it requests; if that is indeed the case, BellSouth should make that offer clear. In all events, even if BellSouth would charge AT&T only for requested DUF records, it is not clear

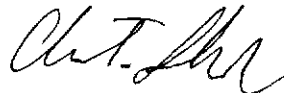
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that, given BellSouth's current Georgia and Louisiana DUF rates, the resulting charges would be TELRIC-compatible.⁵

IV. CONCLUSION.

The average monthly per line DUF charges on which BellSouth's Application relies are well above those that any reasonable application of TELRIC principles would have produced. Even BellSouth appears to agree with that assessment. One day before filing its Application, BellSouth proposed new DUF rates – the October 1 rates that BellSouth claims are TELRIC-compliant. But those DUF rates result in an average monthly per line DUF charge in Georgia that is substantially lower than the average monthly per line DUF charges that are currently in effect in Georgia and Louisiana. Furthermore, even BellSouth's October 1 rates produce a Georgia DUF charge that is well above that which any reasonable application of TELRIC principles would have produced. For the foregoing reasons and for the reasons stated in AT&T's initial comments, BellSouth has failed to satisfy its burden of proving that its Georgia and Louisiana rates comply with Checklist Item 2.

Sincerely,




Christopher T. Shenk

Attorney for AT&T Corp.

⁵ To the extent that the Commission's decision relies on monthly per line DUF charges that reflect the assumption that BellSouth will charge AT&T only for those DUF records that it requests, the Commission's Order should make that assumption clear. If the Commission were to approve BellSouth's Application based on the assumption that AT&T would only be charged for requested DUF records, but failed to clearly articulate that assumption in its Order, BellSouth could later charge AT&T for all DUF records (not only those requested) and justify that practice on the grounds that the Commission approved that practice in the Louisiana and Georgia 271 Order.

VERIFICATION PAGE

I declare under penalty of perjury that the Exhibits and the description of the method that I used to develop and compare DUF charges for Georgia, Louisiana and other states contained in this *ex parte* is true and correct.


Michael Lieberman

Executed on: November 2, 2001

ATTACHMENT A
DUF CHARGE COMPARISONS AT GEORGIA VOLUMES

Comparison of DUF Cost

Calculated at Georgia Volumes

Company	State	DUF Cost, per line per month	GA Relative to other 271 states	LA Relative to other 271 states
BS	GA	\$ 2.96	0%	1%
BS	LA *	\$ 3.00	-1%	0%
BS	GA Generic	\$ 1.40	112%	114%
SBC	KS	\$ 1.75	69%	71%
SBC	OK 12/28/00	\$ 1.75	69%	71%
SBC	TX	\$ 1.75	69%	71%
VZ	MA	\$ -	-	-
VZ	NY-Current	\$ 2.37	25%	26%
VZ	NY-RD	\$ 0.55	435%	443%
VZ	PA	\$ 0.20	1373%	1393%

* The DUF charge at LA volumes is \$2.43 (see Att. B, Exh. 2)

DUF Cost Calculation

GA	<u>Rate Element</u>	<u>Rate</u>	<u>Volumes</u>	<u>Cost/Mo.</u>
		Per record	Records/Bill	\$/Line Per Month
	ADUF - Message Processing	\$0.007951		
	ADUF - Data Transmission (Connect:Direct)	\$0.000043		
	Total ADUF Charges	\$0.007994	101	\$ 0.81
	EODUF - Message Processing	\$0.003456	No charges assumed	
	ODUF - Recording	\$0.000009		
	ODUF - Message Processing	\$0.004646		
	ODUF - Data Transmission (Connect:Direct)	\$0.000043		
	Total ODUF Charges	\$0.004699	458	\$ 2.15
	Total DUF Charges			\$ 2.96

DUF Record Calculation

Volumes: Est. GA ARMIS 2001

Usage Type	Outbound	Inbound *	total	Assumed MOU per call/msg	DUF Records
Local	1,767	-	1,767	4	442
IntraLATA Toll	33	33	66	4	16
Intrastate InterLATA	51	51	103	5	21
Interstate InterLATA	201	201	401	5	80
Total	2,052	285	2,337		559

* For local calls, average DUF charges reflect assessment for the outbound local traffic only.

DUF Cost Calculation

GA_Proposed	Rate Element	Rate	Volumes	Cost/Mo.
		Per record	Records/Bill	\$/Line Per Month
	ADUF - Message Processing	\$ 0.001849		
	ADUF - Data Transmission (Connect:Direct)	\$ 0.000132		
	Total ADUF Charges	\$ 0.001981	101	\$ 0.20
				\$ -
	EODUF - Message Processing	\$ 0.235679	No charges assumed	
	ODUF - Recording	\$ 0.000009		
	ODUF - Message Processing	\$ 0.002496		
	ODUF - Data Transmission (Connect:Direct)	\$ 0.000110		
	Total ODUF Charges	\$ 0.002615	458	\$ 1.20
	Total DUF Charges			\$ 1.40

DUF Record Calculation

Volumes: Est. GA ARMIS 2001

Usage Type	Outbound	Inbound *	total	Assumed MOU per call/msg	DUF Records
Local	1,767	-	1,767	4	442
IntraLATA Toll	33	33	66	4	16
Intrastate InterLATA	51	51	103	5	21
Interstate InterLATA	201	201	401	5	80
Total	2,052	285	2,337		559

* For local calls, average DUF charges reflect assessment for the outbound local traffic only.

DUF Cost Calculation

LA	<u>Rate Element</u>	<u>Rate</u>	<u>Volumes</u>	<u>Cost/Mo.</u>
		Per record	Records/Bill	\$/Line Per Month
	ADUF - Message Processing	\$ 0.007983		
	ADUF - Data Transmission (Connect:Direct)	\$ 0.000127		
	Total ADUF Charges	\$ 0.008110	101	\$ 0.82
	EODUF - Message Processing	\$ 0.250015	No charges assumed	
	ODUF - Recording	\$ 0.000012		
	ODUF - Message Processing	\$ 0.004641		
	ODUF - Data Transmission (Connect:Direct)	\$ 0.000106		
	Total ODUF Charges	\$ 0.004758	458	\$ 2.18
	Total DUF Charges			\$ 3.00

DUF Record Calculation

Volumes: Est. GA ARMIS 2001

Usage Type	Outbound	Inbound *	total	Assumed MOU per call/msg	DUF Records
Local	1,767	-	1,767	4	442
IntraLATA Toll	33	33	66	4	16
Intrastate InterLATA	51	51	103	5	21
Interstate InterLATA	201	201	401	5	80
Total	2,052	285	2,337		559

* For local calls, average DUF charges reflect assessment for the outbound local traffic only.

DUF Cost Calculation

	<u>Rate Element</u>	<u>Rate</u>	<u>Volumes</u>	<u>Cost/Mo.</u>
		Per record	Records/Bill	\$/Line Per Month
	Call Usage			
	Recording - for			
TX, OK, KS	all Calls	\$ 0.003000	584	\$ 1.75

DUF Record Calculation

Volumes: Est. GA ARMIS 2001

Usage Type	Outbound	Inbound *	total	Assumed MOU per call/msg	DUF Records
Local	1,767	-	1,767	4	442
IntraLATA Toll	33	33	66	4	16
Intrastate InterLATA	51	51	103	4	26
Interstate InterLATA	201	201	401	4	100
Total	2,052	285	2,337		584

* For local calls, average DUF charges reflect assessment for the outbound local traffic only.

DUF Cost Calculation

NY Current	<u>Rate Element</u>	<u>Rate</u>	<u>Volumes</u>	<u>Cost/Mo.</u>
		Per record	Records/Bill	\$/Line Per Month
	Call Usage Detail			
	Recording: Processing	\$ 0.004147	556	\$ 2.31
	Call Usage Detail			
	Recording:			
	Transmission	\$ 0.000117	556	\$ 0.07
	Total			\$ 2.37

DUF Record Calculation

Volumes: Est. GA ARMIS 2001

Usage Type	Outbound	Inbound *	total	Assumed MOU per call/msg	DUF Records
Local	1,767	-	1,767	4	442
IntraLATA Toll	33	-	33	4	8
Intrastate InterLATA	51	51	103	4	26
Interstate InterLATA	201	201	401	5	80
Total	2,052	252	2,304		556

* For local calls, average DUF charges reflect assessment for the outbound local traffic only.

As intraLATA toll traffic is assumed to stay on the ILEC network in New York, it is assumed that DUF will also only apply to outbound intraLATA toll traffic.

DUF Cost Calculation

	<u>Rate Element</u>	<u>Rate</u>	<u>Volumes</u>	<u>Cost/Mo.</u>
		Per record	Records/Bill	\$/Line Per Month
	Call Usage			
	Recording - for			
	all Calls	\$ 0.000994	556	\$ 0.55
NY - RD				

DUF Record Calculation

Volumes: Est. GA ARMIS 2001

Usage Type	Outbound	Inbound *	total	Assumed MOU per call/msg	DUF Records
Local	1,767	-	1,767	4	442
IntraLATA Toll	33	-	33	4	8
Intrastate InterLATA	51	51	103	4	26
Interstate InterLATA	201	201	401	5	80
Total	2,052	252	2,304		556

* For local calls, average DUF charges reflect assessment for the outbound local traffic only.

As intraLATA toll traffic is assumed to stay on the ILEC network in New York, it is assumed that DUF will also only apply to outbound intraLATA toll traffic.

DUF Cost Calculation

	<u>Rate Element</u>	<u>Rate</u>	<u>Volumes</u>	<u>Cost/Mo.</u>
		Per record	Records/Bill	\$/Line Per Month
PA	Call Usage			
	Recording - for all Calls	\$ 0.000356	564	\$ 0.20

DUF Record Calculation

Volumes: Est. GA ARMIS 2001

Usage Type	Outbound	Inbound *	total	Assumed MOU per call/msg	DUF Records
Local	1,767	-	1,767	4	442
IntraLATA Toll	33	33	66	4	16
Intrastate InterLATA	51	51	103	4	26
Interstate InterLATA	201	201	401	5	80
Total	2,052	285	2,337		564

* For local calls, average DUF charges reflect assessment for the outbound local traffic only.

ATTACHMENT B
DUF CHARGE COMPARISONS AT STATE-SPECIFIC VOLUMES

Comparison of DUF Cost

Calculated at State Specific Volumes

Company	State	DUF Cost, per line per month	GA Relative to other 271 states	LA Relative to other 271 states
BS	GA	\$ 2.96	0%	-18%
BS	LA	\$ 2.43	22%	0%
BS	GA Generic	\$ 1.40	112%	74%
SBC	KS	\$ 1.06	178%	128%
SBC	OK 12/28/00	\$ 1.19	150%	105%
SBC	TX	\$ 1.26	136%	93%
VZ	MA	\$ -	-	-
VZ	NY-Current	\$ 1.25	137%	94%
VZ	NY-RD	\$ 0.29	916%	734%
VZ	PA	\$ 0.12	2402%	1953%

DUF Cost Calculation

LA	Rate Element	Rate	Volumes	Cost/Mo.	
		Per record	Records/Bill	\$/Line Per Month	
	ADUF - Message Processing	\$ 0.007983			
	ADUF - Data Transmission (Connect:Direct)	\$ 0.000127			
	Total ADUF Charges	\$ 0.008110	77	\$	0.63
	EODUF - Message Processing	\$ 0.250015	No charges assumed		
	ODUF - Recording	\$ 0.000012			
	ODUF - Message Processing	\$ 0.004641			
	ODUF - Data Transmission (Connect:Direct)	\$ 0.000106			
	Total ODUF Charges	\$ 0.004758	378	\$	1.80
	Total DUF Charges			\$	2.43

DUF Record Calculation

Volumes: Est. LA ARMIS 2001

Usage Type	Outbound	Inbound *	total	Assumed MOU per call/msg	DUF Records
Local	1,458	-	1,458	4	365
IntraLATA Toll	27	27	55	4	14
Intrastate InterLATA	53	53	106	5	21
Interstate InterLATA	140	140	281	5	56
Total	1,679	221	1,900		456

* For local calls, average DUF charges reflect assessment for the outbound local traffic only.

DUF Cost Calculation

	<u>Rate Element</u>	<u>Rate</u>	<u>Volumes</u>	<u>Cost/Mo.</u>
		Per record	Records/Bill	\$/Line Per Month
	Call Usage			
	Recording - for			
KS	all Calls	\$ 0.003000	354	\$ 1.06

DUF Record Calculation

Volumes: Est. KS ARMIS 2001

Usage Type	Outbound	Inbound *	total	Assumed MOU per call/msg	DUF Records
Local	914	-	914	4	229
IntraLATA Toll	39	39	78	4	20
Intrastate InterLATA	53	53	106	4	26
Interstate InterLATA	160	160	320	4	80
Total	1,166	252	1,418		354

* For local calls, average DUF charges reflect assessment for the outbound local traffic only.

DUF Cost Calculation

	<u>Rate Element</u>	<u>Rate</u>	<u>Volumes</u>	<u>Cost/Mo.</u>
		Per record	Records/Bill	\$/Line Per Month
OK	Call Usage			
	Recording - for all Calls	\$ 0.003000	395	\$ 1.19

DUF Record Calculation

Volumes: Est. OK ARMIS 2001

Usage Type	Outbound	Inbound *	total	Assumed MOU per call/msg	DUF Records
Local	1,039	-	1,039	4	260
IntraLATA Toll	37	37	75	4	19
Intrastate InterLATA	57	57	115	4	29
Interstate InterLATA	176	176	352	4	88
Total	1,309	271	1,580		395

* For local calls, average DUF charges reflect assessment for the outbound local traffic only.

DUF Cost Calculation

	<u>Rate Element</u>	<u>Rate</u>	<u>Volumes</u>	<u>Cost/Mo.</u>
		Per record	Records/Bill	\$/Line Per Month
	Call Usage			
	Recording - for			
TX	all Calls	\$ 0.003000	418	\$ 1.26

DUF Record Calculation

Volumes: Est. TX ARMIS 2001

Usage Type	Outbound	Inbound *	total	Assumed MOU per call/msg	DUF Records
Local	1,205	-	1,205	4	301
IntraLATA Toll	16	16	33	4	8
Intrastate InterLATA	79	79	157	4	39
Interstate InterLATA	140	140	279	4	70
Total	1,439	234	1,674		418

* For local calls, average DUF charges reflect assessment for the outbound local traffic only.

DUF Cost Calculation

NY Current	<u>Rate Element</u>	<u>Rate</u>	<u>Volumes</u>	<u>Cost/Mo.</u>
		Per record	Records/Bill	\$/Line Per Month
	Call Usage Detail Recording: Processing	\$ 0.004147	293	\$ 1.22
	Call Usage Detail Recording: Transmission	\$ 0.000117	293	\$ 0.03
	Total			\$ 1.25

DUF Record Calculation

Volumes: Est. NY ARMIS 2001

Usage Type	Outbound	Inbound *	total	Assumed MOU per call/msg	DUF Records
Local	805	-	805	4	201
IntraLATA Toll	7		7	4	2
Intrastate InterLATA	76	76	152	4	38
Interstate InterLATA	130	130	260	5	52
Total	1,018	206	1,224		293

* For local calls, average DUF charges reflect assessment for the outbound local traffic only.

As intraLATA toll traffic is assumed to stay on the ILEC network in New York, it is assumed that DUF will also only apply to outbound intraLATA toll traffic.

DUF Cost Calculation

	<u>Rate Element</u>	<u>Rate</u>	<u>Volumes</u>	<u>Cost/Mo.</u>
		Per record	Records/Bill	\$/Line Per Month
	Call Usage			
	Recording - for			
NY - RD	all Calls	\$ 0.000994	293	\$ 0.29

DUF Record Calculation

Volumes: Est. NY ARMIS 2001

Usage Type	Outbound	Inbound *	total	Assumed MOU per call/msg	DUF Records
Local	805	-	805	4	201
IntraLATA Toll	7		7	4	2
Intrastate InterLATA	76	76	152	4	38
Interstate InterLATA	130	130	260	5	52
Total	1,018	206	1,224		293

* For local calls, average DUF charges reflect assessment for the outbound local traffic only.

As intraLATA toll traffic is assumed to stay on the ILEC network in New York, it is assumed that DUF will also only apply to outbound intraLATA toll traffic.

DUF Cost Calculation

	<u>Rate Element</u>	<u>Rate</u>	<u>Volumes</u>	<u>Cost/Mo.</u>
		Per record	Records/Bill	\$/Line Per Month
PA	Call Usage			
	Recording - for all Calls	\$ 0.000356	332	\$ 0.12

DUF Record Calculation

Volumes: Est. PA ARMIS 2001

Usage Type	Outbound	Inbound *	total	Assumed MOU per call/msg	DUF Records
Local	850	-	850	4	213
IntraLATA Toll	50	50	100	4	25
Intrastate InterLATA	80	80	159	4	40
Interstate InterLATA	137	137	274	5	55
Total	1,117	267	1,384		332

* For local calls, average DUF charges reflect assessment for the outbound local traffic only.